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DE RUEHAM #2378 3010938
ZNR UUUUU ZZH
R 280938Z OCT 09
FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 6194
INFO RUEHGB/AMEMBASSY BAGHDAD 6309
RUEHLB/AMEMBASSY BEIRUT 3117
RUEHEG/AMEMBASSY CAIRO 4169
RUEHDM/AMEMBASSY DAMASCUS 4266
RUEHRH/AMEMBASSY RIYADH 2228
RUEHUL/AMEMBASSY SEOUL 0095
RUEHTV/AMEMBASSY TEL AVIV 1913
RUEHKO/AMEMBASSY TOKYO 0314
RUEHJI/AMCONSUL JEDDAH 0920
RUEHJM/AMCONSUL JERUSALEM 5684
RUCPDOC/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC

UNCLAS AMMAN 002378

SENSITIVE
SIPDIS

STATE FOR NEA/ELA AND EEB
STATE PASS OPIC

E.O. 12958: N/A

TAGS: ENRG ECON EINV EFIN JO

SUBJECT: New Amman Power Plant, Financed in Part by OPIC, Run by U.S. Firm, Supplies 18% of Jordan's Needs

REFS: Amman 1690

¶1. (U) King Abdullah presided over the ceremonial opening of Jordan's first independent power station on October 26. The Amman East Power Plant was built and is owned and operated by AES Jordan PSC, a consortium of AES Oasis (a subsidiary of U.S.-based AES Corporation) and Japan-based Mitsui and Co. AES Jordan PSC will operate the plant on a build-own-operate (BOO) basis for 25 years.

¶2. (SBU) The plant project, worth \$300 million, was financed jointly by the U.S. Overseas Private Investment Corporation (OPIC), Japan Bank of International Cooperation (JBIC), and the Sumitomo Banking Corporation (SMBC), with International Bank for Reconstruction and Development (IBRD) risk guarantees and included Korea's Doosan Heavy Industries as the key construction contractor. Of the total \$300 million cost, \$180 million was U.S.-funded, including \$70 million from OPIC, making the AES project the largest American investment to date in Jordan. (Note: OPIC is providing a \$250 million loan to the Disi Aquifer project, but that project has yet to see significant construction. End note.)

¶3. (SBU) The Amman East Plant, which has 45 full-time employees, is a combined cycle 370 MW generation plant that includes two 123.4 MW Ansaldo gas turbines and one 130 MW Fuji steam turbine. The primary fuel is natural gas provided through the Arab Gas Pipeline from Egypt. Diesel oil is the plant's backup fuel. AES Jordan PSC officials told EmbOffs that the plant, which began generating power at full capacity on September 17, is currently producing 400 MW, supplying 18% of Jordan's electricity demand and more than the project's requirement of 370 MW.

¶4. (SBU) Minister of Energy and Mineral Resources Khaldoun Qteishat told reporters after the opening that the Amman East Plant helps meet Jordan's surging electricity needs, which increase 7.4% annually. Jordan's next step in electricity generation growth is a \$455 million project for the Qatraneh Electric Power Company, which is a consortium of the Korea Electric Power Company and Saudi Arabia's Zenel Company. The Qatraneh plant will produce 373 MW and is scheduled to be completed in August 2011.

Visit Amman's Classified Website at
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